"FINANACIAL ANALYSIS OF PRIMARY AGRICULTURAL CREDIT CO-OPERATIVE SOCIETIES IN SOLAPUR DISTRICT"

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“FINANACIAL ANALYSIS OF PRIMARY AGRICULTURAL CREDIT CO-OPERATIVE SOCIETIES IN SOLAPUR DISTRICT”,

1] INTROUDUCTION:-

Co-operative Movement has been recognized as an effective instrument for the economic development of the rural masses and for improvement in the socio-economic condition of the under privileged. Since majority of the population of Maharashtra lives in the rural areas and is involved in agricultural activity, the co-operative movement here assumes greater significance. Today we find that co-operatives are found in almost all the areas of Maharashtra and have been vastly successful in the overall improvement of the quality of life in the rural areas. This is a success of not only the people of Maharashtra but also of the co-operative movement itself. The co-operative movement in Maharashtra has not only improved the lives of the people here but has made significant contribution to the economy of the State itself. Today Maharashtra is considered as the land of opportunities as it is one of the most developed states not only economically but also in terms of infrastructure. Without doubt a major credit goes to the co-operative sector, which has not only promoted and developed rural leadership, which can certainly be termed as the leadership of the masses but also has been involved in promoting the development of infrastructure in the State.

The genesis of the co-operative movement in Maharashtra can be divided into six stages.

With the Deccan Agriculturists’ Relief Act, The land Improvement Loan Act 1883 and the Agricultural Loans Act, the Nickolson Report.

From the Agricultural Credit Co-operative Societies Act 1904 to the creation of the Bombay Central Co-operative bank.

After the Cooperative societies Act of 1912, the movement passed through a new phase of re-organization formation of co-operative financing agencies, formulation of co-operative educational schemes and organization of non-credit societies.

The enactment in 1925 of the Bombay Co-operative Societies Act widened the cooperative movement in the Bombay province both horizontally as well as vertically.

The Bombay Co-operative Insurance Society was established in the year 1930. In the same year the Co-operative Land Mortgage Bank was also formed for long term financing for redemption of debts, land improvement and purchase of land.

There was an all-round progress during these two decades after India attained Independence from the British Rule. The movement diversified especially in the rural area where sugarcane was grown. The agriculturists pursued this concept of self-help and made the best use of the credit facilities given to them for augmenting the production. Examples like the Pravaranagar Sugar Cooperative inspired many to organize co-operatives in the sugar sector with long-term goals in mind. Significant attitudinal changes had occurred at the grass root level. This was also the period of emergence of rural leadership through co-operative movement. The Apex Bank also started to strengthen its organization and the working of the secondary level central financing agencies. This was also the period where institutional foundation was strengthened.

Expansion, accompanied by extensive vertical and horizontal diversification embraced all fields of socio-economic activity with gains varying from 2 to 6 times. The State government 114 initiated policies and programs to strengthen the co-operative effort. Some of the noteworthy features of the movement during this period were the increased mobilization of resources, strengthening the co-operative effort in the sphere of agricultural production and the building of rural leadership. The State Co-operative Bank also built up the necessary strength to provide support to the government programs of intensive production and procurement of food grains, financing of sugar factories and other new industries in the co-operative sector. The co-operatives have helped the rural economy of Maharashtra tremendously. It has been able to groom grass root level leadership and bring about peaceful socio-economic changes and help institutionalize the rural economy to a considerable extent.

The co-operative credit structure consists of two groups; one provides short term and medium term credit and other is for long term credit. The co-op credit structure for short term and medium term credit is a three tired pyramidal structure:

Primary credit societies at village and city level
Central co-operative banks at district level
State co-operative banks at apex level.

The primary co-operative societies come under the base level of the three tired pyramidal structure. The primary co-operative societies in a co-operative credit structure which are very helpful to meet the requirement of small farmers and small scale industrial concerns as UCBs are formed on the principle of co-operation. Thus, right from their establishment, UCBs are solving the economic problems of the lower middle income group of people and thereby contributing to the economic development of the country.

Co-operation' is derived from, the Latin word "co-operari", co means with and 'operari' means working together with others for a common purpose. The concept of co-operation was originally coined by Rochdale Pioneers against capitalist's exploitation in the early period of the 19th century. The Webster Universal Dictionary defines, co-operation as an association of a number of persons for a common benefit, especially, in carrying on some branch of trade or industry, the profit being shared as divided among the members. The idea of co-operation in India is not entirely a new device. However, the use of word in the modern sense in not native to the country. Our Vedas, the Upnishada and Bhagwat purana have fully subscribed to co-operation existence. In the Vedas, prayers had been made to the Almighty to give human being power and desire to work together to live together and to think together.

Co-operation means 'harmony'. Harmony in the family in the villages, harmony between the villages, harmony between countries etc. It is a must for a good life, a better life, a progressive life. The world without co-operation will not survive. In other words co-operation is must for survival of human beings. A Primary Co-operative Credit Co-operative Society [PACCS] is a sort of a bank which raises capital by shares, deposits or loans and gives financial accommodation with this capital. It is co-operative, if financial accommodation is given only to the persons comparing the society. It is important to remember that a PACCS is a business organization with a special mode of doing business. It is not a charitable institution doing out relief to the weak and poor. It is an organization for doing business in a strictly businesses like manner tempered by a high moral purpose of encouraging its members, habits of honesty, industry, thrift, prudence, punctuality and mutual help. The law does not permit a PACCS to give loans to non members a without the sanction of the Registrar which is rarely given.

Every Individual, Family, Traders, Joint Stock Company and Farmers need Finance to carry out business and for their daily needs. Finance is the lifeblood of any business organization. Any transaction cannot be completed without the help of finance.

Our Country is a Agricultural Country. Out of our population 2/3 peoples are farmers. In our society there are various Commercial Banks, Scheduled Banks, Co-operative Banks, Co-operative Credit Societies & other Financial Institutions to provide loans. A bank called NABARD was specially opened for the farmers to provide loan on the 12th July, 1982.

In Solapur District there are 11 taluka's & 1138 PACCS. The divisions of PACCS in Solapur District are as follows.

PACCS stands for Primary Agricultural Co-operative Credit Societies.

ALLOCATION OF THE PACCS

SR. NO.	NAME OF TALUKA	TOTAL PACCS
1]	AKKALKOT	138
2]	BARSHI	137
3]	KARMALA	121
4]	MADHA	**113**
5]	MANGALWEDHA	80
6]	MALSHIRAS	114
7]	MOHOL	102
8]	PANDHARPUR	102
9]	SANGOLA	99
10]	SOLAPUR SOUTH	91
11]	SOLAPUR NORTH	41
	TOTAL	**1138**

Source: www.google.com

2] SIGNIFICANCE OF PACCS:-

The PACCS are governed by the NABARD. They provide funds to the PACCS. The PACCS was founded and developed by the NABARD for providing funds to each & every farmer. They provide not only Long Term Loan but also

provide Short Term Loans to farmers. The PACCS provide loans for Pipe Lines, Land Development, Drips, digging Wells, Bore well, for purchasing Tractor & other Machinery etc. It became very essential part of the life. It leads to the farmers on the path of progress.

In order to increase the tempo of economic development through financial stability of the cooperatives in general and cooperative credit societies in particular, steps had been taken to promote the development of various types of economic activities in the sphere of cooperation both in rural and urban areas. PACCS, being financial intermediaries, render financial services with the objectives of growth, profit and services. However, the financial stability of these societies has a direct bearing to the extent of mobilization of deposits and the collection of loans before they become overdue. If the overdue are not kept under control, they will have a crippling effect of curtailing the ability of the societies to recycle the funds and expand their business.

3] RATIONAL OF THE PROPOSED RESEARCH: -

The PACCS started facing a lot of problem, due to various reasons. For Example, The people and the Government could not support them. The PACCS had its rule and regulations, which becomes an obstacle in its path of success. The Farmers count not affords to repay their Loans, due to various factors like Draught, Crop Diseases, and Perennial and many more. The other factors, which lead to problems, were improper disbursement of Loans and its recovery.

The present study is entitled to as," Problem & Practices of Managing Loans Disbursement & it's Recovery in Primary Agricultural Co-operative Credit Society's in Solapur District is directed towards the solution of the problems

4] OBJECTIVES OF THE PROPOSED RESEARCH: -

Following objectives are selected for the proposed study related to the PACCS in Solapur District, Maharashtra.

1] To Study the overall progress of PACCS in Solapur District, Maharashtra.

2] To Study the different types of Loan's disbursement of PACCS in Solapur District, Maharashtra.

3] To Study the present recovery procedure of Loan's & Advances disbursed by the PACCS in Solapur District, Maharashtra.

5] To Study the Problem's of PACCS related with Loan disbursement and recovery of loan.

7] To suggest the appropriate measures to improve the efficiency and financial health of PACCS.

5] HYPOTHESIS OF THE PROPOSED RESEARCH: -

The Following hypothesis has been formulated for the proposed research study.

1] The overdue recovery is the major problem before the PACCS in Solapur.

2] Loans & Advances are disbursed without considering the repayment capacity of the Members/Shareholders/Loaner.

3] There is no proper loans recovery mechanism with PACCS in Solapur District.

6] DATA BASE & RESEARCH METHODOLOGY:-

6.1] SOURCE OF DATA:-

Using Primary data collection through By observations, By personal interview etc as well as Secondary data collection can collect the data through By Annual Reports & Past Records of the PACCS.

6.2] SAMPLING METHOD:-

There are 1138 PACCS in Solapur District. Out of which only **10%** of Category is the Sample of Design of proposed research & data will be collected by using selection of sample of PACCS.

SELECTION OF SAMPLE PACCS FOR RESEARCH

SR. NO.	NAME OF TALUKA	TOTAL PACCS	SELECTED SAMPLE
1]	AKKALKOT	138	14
2]	BARSHI	137	14
3]	KARMALA	121	12
4]	MADHA	113	12

5]	MANGALWEDHA	80	8
6]	MALSHIRAS	114	11
7]	MOHOL	102	10
8]	PANDHARPUR	102	10
9]	SANGOLA	99	10
10]	SOLAPUR SOUTH	91	9
11]	SOLAPUR NORTH	41	4
	TOTAL	**1138**	**114**

7] SCOPE & LIMITATION OF THE PRESENT STUDY:-

There are 1138 of PACCS in Solapur District & other are spread over in Taluka's & near villages, so the study has the following limitations.

The present study mainly related to the District Co-Operative Bank, Solapur.

1. The period of study is only 5 years from 2014-15 to 2018-19 for collection of data and generalization of the findings.
2. The focus of the study is limited only to the performance and general working of recovery selected PACCS in Solapur District, Maharashtra.
3. Due to limitations of the time and finance the study could not cover a large number of societies in Solapur District, Maharashtra.
4. The study includes all the limitations, which are inherent in the data collected from the above mentioned sources.
5. While computing the percentages and average, the figures have been approximated, and as such the totals at times may not exactly tally.
6. Limitations of tools and techniques that have been applied for the analysis are also worth mentioning.
7. Comparability and ambiguity of data are one of the major limitations of the study.

Financial analysis can be done by comparing the data of different years of the same PACCS. Since business conditions vary considerably from PACCS to PACCS. there can be difference in services, accounting policies, level of efficiency, caliber of management and so on. Because of this differences, financial analysis of a business become a very difficult task for an analyst or researcher but in spite of all these

limitations, present study throws glow on the important challenging problems of the PACCS.

8] THE SCHEME OF CHAPTER:-

The following Chapter Scheme is provisionally prepared for presentation of the report.

1] Chapter:- I – Introduction

This chapter deals with introductory in nature. It also covers significance of PACCS. Rationale of the Present Study, Objectives and Hypothesis of the research study, Data and Research Methodology, Statistical Tools, Scope and Limitations of the present Study etc.

2] Chapter:- II – Review of Literature

This chapter deals with to review of past studies. Review plays an important role in the field of research. This chapter tries to analyse the various types of reviews in respect PACCS,

3] Chapter:- III –Socio-Economic Profile of Solapur District

This chapter deals with theoretical framework of co-operative development of India, Maharashtra, Solapur district.

4] Chapter:- IV – Development of PACCS

This chapter deals with brief history, natural resources, population, trade and commerce, financial institutions, industries and c0-operative development in Solapur District.

5] Chapter:- V – Growth and Development of Selected PACCS in Solapur District

This chapter deals with Trend Analysis Techniques for measuring growth and development of selected of PACCS in Solapur District.

6] Chapter:- VI – Performance Evaluation of Selected PACCS in Solapur District.

This chapter deals with the system of loans disbursement & recovery of PACC'S in Solapur District.

7] Chapter:- VII – Conclusion and Suggestions

Towards the end of this research work, comprehensive biographies on the subject and some appendices have also been added.

Signature of Guide Signature of Research Student

(Dr. Pradeep Sahebrao Jadhav) **(Mahadev Vaijinath Kore)**